

**REMARKS:**

Claims 1-4 and 6-10 are presented for examination, with claims 1 and 4 having been amended hereby and claim 5 having been cancelled (without prejudice or disclaimer).

Reconsideration is respectfully requested of the rejection of claims 1 and 2 under 35 U.S.C. §102(b) as allegedly being anticipated by “Poor Market Spurs New Approaches”, Kuntz, E.F., April 1984 Pensions & Investment Age (hereinafter “P&I”).

It is respectfully submitted that applicant does not concur with the Examiner in the Examiner’s analysis of claims 1 and 2 of the present application and the P&I reference.

For example, it is noted that independent claim 1 had explicitly recited (even before amendment hereby) the feature of requiring the credit issuer of a municipal bond to pay to the credit holder both a fixed payment component and a variable payment component.

In this regard, the Examiner asserts (at pages 3 and 4 of the February 13, 2006 Office Action) that this feature is shown in the P&I reference at page 4, column 1, lines 16-33 and column 2, lines 2-29.

A review of these cited passages was undertaken. It appears that while the disclosure thereof relates in general to fixed interest rates and variable interest rates, the cited disclosure does not discuss the explicitly claimed feature directed to requiring the credit issuer of a municipal bond to pay to the credit holder both a fixed payment component and a variable payment component.

In fact, as seen at page 4, column 2, lines 2-29, this reference actually teaches away from such feature because the reference specifically discusses use of either variable rates or fixed rates.

Thus, it is respectfully submitted that the cited disclosure does not show or suggest the explicitly claimed feature directed to requiring the credit issuer of a municipal bond to pay to the credit holder both a fixed payment component and a variable payment component.

Moreover, it is noted that in an effort to expedite prosecution of the application, independent claim 1 has been amended to more clearly recite two distinct payment components (a first fixed payment component and a second, additional variable payment component).

Therefore, it is respectfully submitted that the rejection of claims 1 and 2 under 35 U.S.C. §102(b) as allegedly being anticipated by P&I has been overcome.

Reconsideration is respectfully requested of the rejection of claim 3 under 35 U.S.C. §103(a) as allegedly being unpatentable over P&I.

It is respectfully submitted that applicant does not concur with the Examiner in the Examiner's analysis of claim 3 of the present application and the P&I reference.

For example, while applicant agrees with the Examiner's indication made at pages 4 and 5 of the Office Action that P&I does not disclose the feature wherein the ownership value characteristic upon which the variation of the variable payment component is based is selected from the group including: a) an exemption from a state tax; b) an exemption from a federal tax; c) a marginal state tax rate; and d) a marginal federal tax rate, applicant does not concur with the Examiner's additional obviousness assertion made at page 5 of the Office Action.

Nevertheless, in order to expedite prosecution of the application, it will be noted here simply that claim 3 depends from independent claim 1.

Thus, claim 3 is submitted to be patentably distinct for at least the same reasons as the claim from which it depends.

Therefore, it is respectfully submitted that the rejection of claim 3 under 35 U.S.C. §103(a) as allegedly being unpatentable over P&I has been overcome.

Reconsideration is respectfully requested of the rejection of claims 4 and 6-10 under 35 U.S.C. §103(a) as allegedly being unpatentable over P&I in view of U.S. Publication No. 2002/0184129 in the name of Arena et al. (hereinafter "Arena et al.").

It is respectfully submitted that applicant does not concur with the Examiner in the Examiner's analysis of claims 4 and 6-10 of the present application and the P&I and Arena et al. references.

For example, while applicant agrees with a number of indications made by the Examiner at pages 6-8 of the Office Action to the effect that P&I does not disclose certain claimed features, applicant does not concur with a number of the Examiner's additional assertions.

Nevertheless, in order to expedite prosecution of the application, it will be noted here that independent claim 4 has been amended to include the first and second payment component feature of now-cancelled claim 5 in a manner which substantially tracks that of independent claim 1 (that is, independent claim 4 has been amended to include the feature requiring the credit issuer to pay both a fixed payment component and an additional variable payment component).

Thus, regardless of any disclosure in Arena et al. related to annuities (which appear to be discussed in terms of either fixed annuities or variable annuities), claim 4 is submitted to be patentably distinct for at least the same reasons as claim 1 discussed above.

Further, each of claims 6-10 depends (directly or indirectly) from independent claim 4 and is submitted to be patentably distinct for at least the same reasons as claim 4.

Therefore, it is respectfully submitted that the rejection of claims 4 and 6-10 under 35 U.S.C. §103(a) as allegedly being unpatentable over P&I in view of Arena et al. has been overcome.

Finally, it is noted that this Amendment is fully supported by the originally filed application and thus, no new matter has been added. For this reason, the Amendment should be entered.

For example, support for the amendment to claims 1 and 4 regarding the computer implemented method may be found at page 7, lines 1-3.

Further, support for the amendment to claim 1 regarding the first and second payment components may be found in claim 1, as filed; at page 3, lines 25-29; and throughout the specification.

Further still, support for the amendment to claim 4 regarding the first and second payment components may be found in claims 4 and 5, as filed; at page 3, lines 25-29; and throughout the specification.

Accordingly, it is respectfully submitted that each rejection raised by the Examiner in the February 13, 2006 Office Action has been overcome and that the above-identified application is now in condition for allowance.

Favorable reconsideration is earnestly solicited.

Respectfully submitted,  
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